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**C. REMARKS****1. Status of the Claims**

Claims 37-72 are currently present. Claims 1-36 were previously cancelled in or before Applicant's Request for Continued Examination (RCE) (November 12, 2003). In Applicant's RCE, Applicant newly presented claims 37-72.

**2. Drawings**

This marks the fourth time that Applicant has respectfully requested that the Examiner indicate whether the formal drawings that were submitted with the application are accepted by the Examiner. Applicant previously made this request in the Response filed July 14, 2003, in the Response filed October 14, 2003, and in Applicant's Request for Continued Examination (RCE) filed November 12, 2003. Despite Applicant's repeated requests, the Examiner, to date, has not indicated whether the drawings are acceptable. Applicant is unsure as to whether the Examiner is ignoring Applicant's request or is not reading Applicant's remarks filed with the above-mentioned communications. Once again, Applicant respectfully requests that the Examiner indicate whether Applicant's originally filed drawings are acceptable.

**3. Claim Rejections - 35 U.S.C. § 112**

Claims 37-72 were rejected under 35 U.S.C. § 112 as being indefinite because a limitation lacked proper antecedent basis. Applicant has amended the independent claims, 37, 49, and 61, to address the rejection. In particular, the element "a digital

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works request" has been replaced with the element "a product sale request," on lines 8-9 of Claim 37 and in corresponding locations of claims 49 and 61. Therefore, the use of "the product sale request" in lines 18 and 19 of claim 18 now has sufficient antecedent basis. Applicant respectfully requests that the Examiner withdraw the rejection in light of Applicant's amendment.

**4. Claim Rejections - 35 U.S.C. § 103, Alleged Obviousness**

Claims 37-72 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,864,620 to Pettitt ("Pettitt") in view of U.S. Patent No. 5,915,022 to Robinson et al. (hereinafter "Robinson"). Applicant respectfully traverses the rejections.

Each of Applicant's independent claims include the limitations of:

- obtaining, at a third party logging server, a plurality of digital works from a plurality of provider computer systems;
- storing the received digital works on a nonvolatile storage device accessible from the third party logging server;
- receiving, at the third party logging server, a product sale request from a merchant computer system, wherein the product sale request is received over a computer network;
- transmitting, from the third party logging server through the computer network to the merchant computer system, one or more of the digital works, wherein the

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merchant computer system is adapted to provide the transmitted digital works to one or more customer computer systems; and

- recording, at the third party logging server, a sales record corresponding to the product sale request.

A key aspect of Applicant's claimed invention is that the digital works are received by the third party logging server from providers, stored on the third party logging server's nonvolatile storage device, and transmitted by the third party logging server to merchants that, in turn, send (i.e., sell) the digital works to customers.

In contrast, Pettitt simply does not teach or suggest performing these activities. Instead, the process taught by Pettitt does not even begin until the customer already has a copy of the software. Pettitt states, "Referring to both FIGS. 2 and 4, the process begins once the user 18 obtains a copy of the digital software container..." (col. 4, lines 6-14). Pettitt teaches that either the author, distributor, or reseller provides the software to the user (col. 3, lines 37-48 and lines 57-67). Pettitt teaches the user of at least two entities to take the place of Applicant's third party logging server. Pettitt teaches use of a "License Clearing House" system which "ensures the integrity and controls the usage rights of the software" (col. 3, lines 28-35). However, Pettitt does not teach or suggest storing the digital works (software) with the License Clearing House. Instead, Pettitt teaches that "the author 12 distributes the software 13 for public availability" and that the author may distribute the software to a "distributor" who, in turn, may distribute the software to a "reseller." (col. 3, lines 49-56). Nowhere does Pettitt teach

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or suggest using a computer system, such as Applicant's third party logging server, to store digital works received from providers on its nonvolatile storage and transmit the digital works to merchants that, in turn, distribute the digital works to end users.

The Office Action admits that Pettitt does not teach implementing his system on a computer network and that Pettitt does not teach or suggest recording a sales record at a server. These two aspects are at the heart of Applicant's invention, yet the Office Action admits that the primary reference teaches or suggests neither.

The Office Action asserts that Robinson teaches "a system for purchasing goods and services of a computer network comprising a merchant server for generating and storing digital sales receipts." (page 4 of Office Action). Applicant asserts that the Office Action's reliance on Robinson is misplaced.

Robinson teaches digital receipts between a customer and a merchant computer. Applicant does not claim the transaction between the customer and merchant. Instead, Applicant only claims that the merchant computer system that receives the digital works is "adapted to provide the transmitted digital works to one or more customer computer systems."

Applicant notes the Office Action misuse of Applicant's claimed terms. The Office Action contends that Pettitt's License Clearing House does some aspects of registering software similar to that claimed by Applicant and then uses Pettitt's "Distributors" and "Resellers," taught by Pettitt as being separate and distinct from Pettitt's License Clearing House as teaching Applicant's "storing" and "transmitting" steps, and

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finally, contends that Robinson teaches Applicant's recordation of a sales record between the third party logging server and the merchant, when instead Robinson only teaches recording a transaction between the merchant and a customer.

Applicant asserts that the novelty of Applicant's invention that sets it apart from the teachings of Pettitt and Robinson is the "one stop shopping" that is facilitated by the third party logging server to both the providers of digital content as well as to merchants that desire to sell such digital content to end users. Using Applicant's claimed invention, the third party logging server obtains digital works from providers (synonymous with Pettitt's "authors") and stores the digital works on a nonvolatile storage device accessible from the third party logging server. Merchants that desire to sell such digital works request the work from the third party logging server and the requested digital works are transmitted by the third party logging server to the merchants, where the merchant is adapted to provide the digital works to customers. Finally, the Applicant's third party logging server keeps track of the merchant's transaction, without needing to keep track of each individual customer transaction.

Pettitt, on the other hand, teaches a myriad of different entities involved in providing software to end users, but is primarily concerned with how the end user receives encryption keys for deciphering the software package. Pettitt, as described above, teaches that either the author, a distributor, or a reseller, provides an encrypted software package to the end user. In this respect, Pettitt's distributor and reseller are somewhat analogous to Applicant's "merchant." Separately, Pettitt teaches that the author provides encryption keys needed

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to open the software to the License Clearing House (LCH). Pettitt then teaches that the customer receives, either directly or indirectly, the necessary keys from the LCH before being able to use the software. While Pettitt teaches that the LCH "ensures the integrity and controls the usage rights of the software" (col. 3, lines 28-36), Pettitt never teaches or suggest having the LCH store the software being distributed nor does the LCH provide the software to the distributor, reseller, or any end users. Instead, Pettitt teaches using the LCH to manage the encryption keys needed by the end user to open the encrypted software package. Pettitt also does not teach or suggest keeping track of any payment information. Specifically, Applicant claims that the third party logging server records a sales record corresponding with the transmission of the digital works by the third party logging server to the merchant.

The digital sales receipts taught by Robinson are incongruent to the sales records recorded by Applicant's claimed third party logging server. In particular, the receipts taught by Robinson are specifically between an end user (customer) and a merchant (see abstract, Figures 1-6c). Robinson teaches a way to provide an encrypted receipt that cannot be tampered or altered. Robinson teaches providing a digital receipt to a customer that the customer then presents when performing a transaction with the merchant (see Figure 5). The merchant receives the digital receipt from the customer and ensures that the receipt has not been altered using digital encryption / signature technology. The merchant can then verify that the digital receipt is valid (i.e., has not yet expired, etc.).

Applicant, on the other hand, claims recording at the third party logging server a transaction between the third party

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logging server and a merchant. Applicant does not claim using digitally signed receipts evidencing a transaction between a merchant and the customer. Moreover, neither Pettitt nor Robinson teach or suggest recording or keeping track of transactions between a distributing computer system, such as Applicant's third party logging server, and a merchant computer system. The Office Action admits that Pettitt is devoid of this teaching and, as described above, teaches a way of providing digital receipts from merchants to customers and does not teach or suggest keeping track or recording the number of sales between a distributing computer system and a merchant computer system, where the merchant computer system further provides the products (i.e., digital works, software, etc.) to customers.

Regarding claim 38, the Office Action asserts that Pettitt teaches "registering a provider with the third party the registering including an agreement regarding the use and payment for using digital works" citing "(column/line 3/5-4-5; column 5, lines 38-36)" (mistake in original). Applicant was unable to find any "registering including an agreement" in the cited lines of Pettitt. On col. 3, lines 57-67, Pettitt teaches that "the author 12 registers the identity of each container 20 with the LCH ..." However, nowhere in the cited sections of Pettitt does Pettitt teach or suggest "registering a merchant corresponding to the merchant computer system with the third party logging server, the registration including an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works, wherein the registration occurs before the receiving, transmitting, and recording." Indeed, because Pettitt relies upon encryption and various entities to ensure that the customer pays for the software, there is no

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reason why Pettitt would teach using such a "registering" procedure as taught and claimed by Applicant.

Regarding claim 39, Applicant claims, in addition to the registering step claimed in claim 38, "providing the merchant computer system with an authentication mechanism in response to the registration of the merchant; and authenticating the merchant computer system using the authentication mechanism prior to the transmission of digital works to the merchant computer system from the third party logging server." The Office Action contends that Pettitt teaches "providing the merchant with an authentication mechanism and authenticating the merchant. (figure 4, column 4, lines 6-62). Applicant vehemently disagrees with this contention.

Pettitt does not teach or suggest authenticating merchants. Pettitt instead teaches that the "user 18 must first submit an authorization request" and that "the reseller 17 performs a payment validation and optionally authorizes the transaction in step 64." (Figure 4; col. 4, lines 6-25). Finally, Pettitt does not teach providing the digital works (software) from the License Clearing House (LCH) to any other party. As described above, Pettitt specifically teaches that the LCH does not have a copy of the software to distribute and, instead, the LCH is used to provide encryption keys to the customer after the customer has paid for the software. Therefore, Pettitt does not teach or suggest "authenticating the merchant ... prior to the transmission of digital works to the merchant computer system from the third party logging server," as taught and claimed by Applicant.

Regarding claim 40, Applicant claims:

sending a plug-in software module for installation on the merchant computer system, the plug-in software module



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adapted to notify the third party logging server whenever a customer purchases one of the digital works from the merchant computer system; and receiving, from the merchant computer system, a notification that one or more of the digital works has been purchased from the merchant computer system, wherein the recording of the sales record corresponding to the product sale request is performed in response to receiving the notification.

Neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest the limitations set forth in claim 40. The Office Action does not contend that Pettitt or Robinson teach such steps. Instead, the Examiner "takes Official Notice that the existence and functionality of ... plug-ins are well known to those of ordinary skill." Applicant hereby challenges the Examiner's improper reliance upon Official Notice in rejecting Applicant's claim.

Applicant respectfully directs the Examiner's attention to MPEP § 2144.03. The contents of MPEP § 2144.03 are as follows with emphasis added highlighting provisions for the Examiner's attention:

**2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art - 2100 Patentability**

**2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art**

**\*\*>In limited circumstances, it is appropriate for an examiner to take official notice of facts not in the record or to rely on "common knowledge" in making a rejection, however such rejections should be judiciously applied.**

**PROCEDURE FOR RELYING ON COMMON KNOWLEDGE OR TAKING OFFICIAL NOTICE**

The standard of review applied to findings of fact is the "substantial evidence" standard under the

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Administrative Procedure Act (APA). See *In re Gartside*, 203 F.3d 1305, 1315, 53 USPQ2d 1769, 1775 (Fed. Cir. 2000). See also MPEP § 1216.01. In light of recent Federal Circuit decisions as discussed below and the substantial evidence standard of review now applied to USPTO Board decisions, the following guidance is provided in order to assist the examiners in determining when it is appropriate to take official notice of facts without supporting documentary evidence or to rely on common knowledge in the art in making a rejection, and if such official notice is taken, what evidence is necessary to support the examiner's conclusion of common knowledge in the art.

A. Determine When It Is Appropriate To Take Official Notice Without Documentary Evidence To Support The Examiner's Conclusion

Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. While "official notice" may be relied on, these circumstances should be rare when an application is under final rejection or action under 37 CFR 1.113. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "capable of such instant and unquestionable demonstration as to defy dispute" (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)). In *Ahlert*, the court held that the Board properly took judicial notice that "it is old to adjust intensity of a flame in accordance with the heat requirement." See also *In re Fox*, 471 F.2d 1405, 1407, 176 USPQ 340, 341 (CCPA 1973) (the court took "judicial notice of the fact that tape recorders commonly erase tape automatically when new 'audio information' is recorded on a tape which already has a recording on it"). In appropriate circumstances, it might not be unreasonable to take official notice of the fact that it is desirable to make something faster, cheaper, better, or stronger without the specific support of documentary evidence. Furthermore, it might not be unreasonable for the examiner in a first Office action to take official notice of facts by asserting that certain limitations in a dependent claim are old and well known expedients in the art without the support of documentary evidence provided the facts so noticed are of notorious character and serve only to "fill in the gaps" which might exist in the evidentiary showing made by the examiner to

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support a particular ground of rejection. In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); Ahlert, 424 F.2d at 1092, 165 USPQ at 421.

It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. For example, assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. In re Ahlert, 424 F.2d at 1091, 165 USPQ at 420-21. See also In re Grose, 592 F.2d 1161, 1167-68, 201 USPQ 57, 63 (CCPA 1979) ("[W]hen the PTO seeks to rely upon a chemical theory, in establishing a prima facie case of obviousness, it must provide evidentiary support for the existence and meaning of that theory."); In re Eynde, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice.").

It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. Zurko, 258 F.3d at 1385, 59 USPQ2d at 1697 ("[T]he Board cannot simply reach conclusions based on its own understanding or experience-or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."). While the court explained that, "as an administrative tribunal the Board clearly has expertise in the subject matter over which it exercises jurisdiction," it made clear that such "expertise may provide sufficient support for conclusions [only] as to peripheral issues." Id. at 1385-86, 59 USPQ2d at 1697. As the court held in Zurko, an assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. Id. at 1385, 59 USPQ2d at 1697. See also In re Lee, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (In reversing the Board's decision, the court stated " 'common knowledge and common sense' on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation. The board cannot rely on

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conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.").

B. If Official Notice Is Taken of a Fact, Unsupported by Documentary Evidence, the Technical Line Of Reasoning Underlying a Decision To Take Such Notice Must Be Clear and Unmistakable

Ordinarily, there must be some form of evidence in the record to support an assertion of common knowledge. See *Lee*, 277 F.3d at 1344-45, 61 USPQ2d at 1434-35 (Fed. Cir. 2002); *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 (holding that general conclusions concerning what is "basic knowledge" or "common sense" to one of ordinary skill in the art without specific factual findings and some concrete evidence in the record to support these findings will not support an obviousness rejection). In certain older cases, official notice has been taken of a fact that is asserted to be "common knowledge" without specific reliance on documentary evidence where the fact noticed was readily verifiable, such as when other references of record supported the noticed fact, or where there was nothing of record to contradict it. See *In re Soli*, 317 F.2d 941, 945-46, 137 USPQ 797, 800 (CCPA 1963) (accepting the examiner's assertion that the use of "a control is standard procedure throughout the entire field of bacteriology" because it was readily verifiable and disclosed in references of record not cited by the Office); *In re Chevenard*, 139 F.2d 711, 713, 60 USPQ 239, 241 (CCPA 1943) (accepting the examiner's finding that a brief heating at a higher temperature was the equivalent of a longer heating at a lower temperature where there was nothing in the record to indicate the contrary and where the applicant never demanded that the examiner produce evidence to support his statement). If such notice is taken, the basis for such reasoning must be set forth explicitly. The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge. See *Soli*, 317 F.2d at 946, 37 USPQ at 801; *Chevenard*, 139 F.2d at 713, 60 USPQ at 241. The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice and be allowed to challenge the assertion in the next reply after the Office action in which the common knowledge statement was made.

C. If Applicant Challenges a Factual Assertion as Not Properly Officially Noticed or not Properly Based Upon

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**Common Knowledge, the Examiner Must Support the Finding With Adequate Evidence**

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2).

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

**D. Determine Whether the Next Office Action Should Be Made Final**

If the examiner adds a reference in the next Office action after applicant's rebuttal, and the newly added reference is added only as directly corresponding evidence to support the prior common knowledge finding, and it does not result in a new issue or constitute a new ground of rejection, the Office action may be made final. If no amendments are made to the claims, the examiner must not rely on any other teachings in the reference if the rejection is made final. If the newly cited reference is added for reasons other than to support the prior common knowledge statement and a new ground of rejection is introduced by the examiner that is not necessitated by

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applicant's amendment of the claims, the rejection may not be made final. See MPEP § 706.07(a).

## E. Summary

Any rejection based on assertions that a fact is well-known or is common knowledge in the art without documentary evidence to support the examiner's conclusion should be judiciously applied. Furthermore, as noted by the court in Ahlert, any facts so noticed should be of notorious character and serve only to "fill in the gaps" in an insubstantial manner which might exist in the evidentiary showing made by the examiner to support a particular ground for rejection. It is never appropriate to rely solely on common knowledge in the art without evidentiary support in the record as the principal evidence upon which a rejection was based. See Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697; Ahlert, 424 F.2d at 1092, 165 USPQ 421.<

Applicant hereby challenges, under MPEP § 2144.03, the taking of Official Notice by the Examiner regarding the claimed use, by Applicant, of a plug-in software module. As recited in the claim, Applicant's plug-in module is sent to a merchant computer system to keep track of purchases, at the customer site, of digital works by customers of the on-line merchant. Furthermore, as claimed by Applicant, the third party logging server receives notifications from merchants resulting from the sale of digital works from the merchant's web site. Applicant asserts that such use of a plug-in software module is not "well known to those of ordinary skill." Indeed, taking the Examiner's logic to an extreme, Official Notice could always be taken that "software" is well known to those skilled in the art and avoid examining the claims of any software patent applications. Applicant challenges the Examiner to find prior art that teaches or suggests Applicants use of plug-in software. If the Examiner is unable to meet this challenge, then pursuant to MPEP § 2144.03, the Examiner must withdraw the rejection and allow the claim.

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Claim 41 depends upon claim 40 and adds the limitation that the notification back to the third party logging server from the merchant is performed by the plug-in software module. Again, Applicant challenges the Examiner's taking of Official Notice in rejecting Applicant's claim.

Claim 42 also depends on claim 40 and adds the limitation regarding the specific kinds of information included in the notification provided from the merchant back to the third party logging server. Applicant asserts that the Office Action does not reject claim 42 and does not provide any citation to either Pettitt or Robinson as teaching or suggesting the limitation set forth in Applicant's claim. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection of claim 42 in light of the complete absence in the Office Action of a rejection of such claim.

Regarding claim 43, Applicant claims the identification of a royalty rate, calculation of a purchase amount, and inclusion of the purchase amount in the sales record. The Office Action contends that Pettitt teaches these limitations, citing col. 4, lines 15-20 and col. 5, lines 28-36. It is noted that claim 43 depends upon claim 42 which depends upon claim 40 which depends upon claim 38 which depends upon claim 37. Applicant's traversal of any of the intervening claims, as described above, results in the allowability of claim 43 unless the Examiner can provide proper prior art references that teach or suggest each of these claims. With respect to the limitations added in claim 43, Applicant asserts that Pettitt does not teach or suggest identifying a royalty rate, calculating a purchase amount, or including the purchase amount in the sales record. First of all, Applicant notes that the Examiner admitted that Pettitt

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does not teach or suggest recording a sales record and therefore relied upon Robinson for such recordation. At col. 4, lines 15-20, Pettitt merely teaches "some form of payment" and does not teach or suggest a royalty rate, calculating a payment amount, or recording the payment amount. At col. 5, lines 28-36, Pettitt merely teaches that "the LCH 14 also pays the author 12 his or her royalty for the transaction by debiting a distributor 16 account and transferring the amount to an author 12 account." Here Pettitt only teaches that the author gets paid a royalty, not that a payment amount is calculated based upon a royalty nor that the payment amount is included in a sales record. Nowhere does Pettitt teach or suggest identifying a royalty rate, calculating a purchase amount based on the royalty rate, or including the purchase amount in the sales record. The Office Action does not contend that Robinson teaches or suggests these limitations. Therefore, neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest identifying a royalty rate corresponding to a digital work, calculating a payment amount based upon the royalty rate, and including the purchase amount in the sales record.

Claim 44 depends on claim 43 which depends upon claim 42 which depends upon claim 40 which depends upon claim 38 which depends upon claim 37. Applicant's traversal of any of the intervening claims, as described above, results in the allowability of claim 44 unless the Examiner can provide proper prior art references that teach or suggest each of these claims. With respect to the limitations added in claim 44, Applicant asserts that Pettitt does not teach or suggest preparing a billing statement that includes the sales record or providing the billing statement to the merchant. The Office Action



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contends that Pettitt "discloses a third party facilitating the exchange of payment between provider and merchant for services rendered in the sale of a digital work to a user" citing col. 5, lines 29-36. The cited section of Pettitt merely teaches that the LCH pays the author and debits an account corresponding to the distributor. This not the same as preparing a billing statement as claimed by Applicant. The billing statement claimed by Applicant results from the calculated purchase amount (see claim 43) which resulted from a plug-in software module located on the merchants computer system (see claim 40). In contrast, Pettitt does not teach or suggest how the payment amount is calculated, nor does Pettitt teach or suggest preparing a billing statement. Rather, Pettitt merely teaches transferring funds from one account to another account. The Office Action does not contend that Robinson teaches or suggests these limitations. Therefore, neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest preparing a billing statement that resulted from identifying a royalty rate corresponding to a digital work, calculating a payment amount based upon the royalty rate, and including the purchase amount in the sales record, wherein the merchant was sent a plug-in software module for notifying the third party logging server when a customer purchased a digital work from the merchant's computer system.

Claim 45 depends on claim 44 which depends on claim 43 which depends upon claim 42 which depends upon claim 40 which depends upon claim 38 which depends upon claim 37. Applicant's traversal of any of the intervening claims, as described above, results in the allowability of claim 45 unless the Examiner can provide proper prior art references that teach or suggest each

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of these claims. This claim adds the limitation of registering a provider with the third party logging server, where the registering includes an agreement regarding use of the digital works and payment therefore. As described above, nowhere in Pettitt does Pettitt teach or suggest registering one party with another party wherein the registration included an agreement between the parties. Therefore, neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest such a registration along with preparing a billing statement that resulted from identifying a royalty rate corresponding to a digital work, calculating a payment amount based upon the royalty rate, and including the purchase amount in the sales record, wherein the merchant was sent a plug-in software module for notifying the third party logging server when a customer purchased a digital work from the merchant's computer system.

Claim 46 depends on claim 45 which depends on claim 44 which depends on claim 43 which depends upon claim 42 which depends upon claim 40 which depends upon claim 38 which depends upon claim 37. Applicant's traversal of any of the intervening claims, as described above, results in the allowability of claim 45 unless the Examiner can provide proper prior art references that teach or suggest each of these claims. As set forth above, neither Pettitt nor Robinson teach or suggest the claim limitations set forth in Applicant's claims 37, 38, 40, 42, 43, 44, and 45. Therefore, because claim 46 depends on claim 45, it is allowable for at least this reason. In addition, the section cited in the Office Action as teaching Applicant's claim 46 (Pettitt at col./line 3/5-4/5 and col. 5, lines 28-36) does not teach or suggest the additional limitations set forth in Applicant's claim 46. In particular, Pettitt merely teaches

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transferring funds from one account to another account and does not teach or suggest preparing a royalty statement for the providers nor does Pettitt teach or suggest electronically sending the royalty statement to the providers, as taught and claimed by Applicant in claim 46.

In claim 47, which depends on claim 37, Applicant adds the limitations of:

- sending the product sale request from the merchant computer system to the third party logging server in response to a customer requesting to purchase the digital works from the merchant computer system;
- receiving, at the merchant computer system, the digital works transmitted from the third party logging server; and
- transmitting the received digital works from the merchant computer system to the customer computer system after the merchant computer system has received the digital works.

Applicant is unable to identify any rejection of these three method steps in the Office Action. A review of Pettitt and Robinson show that neither Pettitt nor Robinson, taken alone or in combination with one another teach each of these limitations. It is unclear how encompassing the Examiner's use of "Official Notice" and whether the Examiner intended that claim 47 be covered by the Examiner's taking of Official Notice. If such is the case, Applicant hereby respectfully challenges the Examiner, under MPEP § 2144.03 to identify a prior art reference that teaches or suggests Applicant's claim 47.

In claim 48, which depends on claim 37, Applicant adds the limitations of:

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- receiving, from one or more of the providers a royalty rate corresponding to one or more of the digital works;
- calculating an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system; and
- billing the merchant the amount due.

Again, Applicant is unable to identify any rejection of these three method steps in the Office Action. A review of Pettitt and Robinson show that neither Pettitt nor Robinson, taken alone or in combination with one another teach each of these limitations. It is unclear how encompassing the Examiner's use of "Official Notice" and whether the Examiner intended that claim 47 be covered by the Examiner's taking of Official Notice. If such is the case, Applicant hereby respectfully challenges the Examiner, under MPEP § 2144.03 to identify a prior art reference that teaches or suggests Applicant's claim 47.

As set forth above, Applicant has traversed the rejections of claims 37-48 and such claims are allowable over the art of record. Claims 49-60 are information handling claims corresponding to method claims 37-48, respectively. Therefore, claims 49-60 are allowable for at least the same reasons that claims 37-48 are allowable. Likewise, claims 61-72 are computer program product claims corresponding to method claims 37-48, respectively. Therefore, claims 61-72 are allowable for at least the same reasons that claims 37-48 are allowable.

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Conclusion

As a result of the foregoing, it is asserted by Applicant that the remaining claims in the Application are in condition for allowance, and Applicant respectfully requests an early allowance of such claims.

Applicant respectfully request that the Examiner contact the Applicant's attorney listed below if the Examiner believes that such a discussion would be helpful in resolving any remaining questions or issues related to this Application.

Respectfully submitted,

By

  
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